

28 1964

Joe JS

PROSPECTUS

OF

NOVAMINES CORPORATION

(No Personal Liability)

Head Office: 4920 Western Ave., • Suite 401
WESTMOUNT, QUE.

Dated at Westmount, Que.
this 16th day of December 1963

1. The full name of the company is "NOVAMINES CORPORATION" (No Personal Liability) with Head Office at Suite 401, at 4920, Western Avenue, Westmount, Quebec.
2. The company was incorporated on the 4th of April 1939 by Letters Patent under the Quebec Mining Companies' Act under the name of CENTRAL CADILLAC MINES LIMITED (No Personal Liability) with an authorized capital of \$ 4,000,000.00 divided into 4,000,000 common shares of a par value of \$ 1.00 each; by supplementary Letters Patent dated September 26th, 1945, the authorized capital was increased to \$ 5,000,000.00 divided into 5,000,000 common shares of a par value of \$ 1.00 each, by the creation of an additional 1,000,000 shares of a par value of \$ 1.00 each; by Supplementary Letters Patent dated November 29th, 1946, the issued capital was reduced on the basis of two new shares for every five shares held and the authorized capital was increased to \$ 3,500,000.00 divided into 3,500,000 shares of a par value of \$ 1.00 each. By same Supplementary Letters Patent, the name was changed to CENTRAL CADILLAC CONSOLIDATED MINES LIMITED (No Personal Liability). By Supplementary Letters Patent dated September 16th, 1947, the authorized capital was increased from \$ 3,500,000.00 to \$ 4,500,000.00 by the creation of an additional 1,000,000 shares of a par value of \$ 1.00 each. By Supplementary Letters Patent dated July 2nd, 1963, the issued capital was reduced on the basis of one new share for every four shares held and the authorized capital was increased to \$ 5,000,000.00 divided into 5,000,000 shares of a par value of \$ 1.00 each, and by same Letters Patent the name was changed to NOVAMINES CORPORATION (No Personal Liability), dated June 28th, 1963.
3. The names in full of the officers, directors and promoters of the company are as follows:

President, Director and Promoter:	Joseph O. Martin, Mining Executive	3932 Maplewood Ave. Montreal, Que.
Vice-President, Director and Promoter:	Jean Grondin Architect	237, Labonté, Longueuil, Que.
Secretary, Director and Promoter:	Gerard Legros Industrialist	39, Jogues Ave, Sorel, Que.
Treasurer and Director:	Paul Pappas, Business Executive	7525 Jean Bourdon Ave. Montreal, Que.
Director:	Jean Luc Cloutier, Chartered Accountant	11724 Poincaré, Montreal, Que.
4. The auditors of the company are: Kendall, Trudel and Company, 1015, Beaver-Hall Hill, Montreal, Que.
5. The Registrar and Transfer Agent of the company is the Eastern and chartered Trust Company, at 132, St. James St. Montreal, Que. The Eastern and chartered Trust Company with branch at 1901 Yonge, St. in Toronto, Ontario, is acting as the company's Transfer Agent.

6. The authorized capital of the company is at \$ 5,000,000.00 divided into 5,000,000 common shares of a par value of \$ 1.00 each, of which 1,065,100 common shares are issued and outstanding as fully paid and non-assessable.
7. No bonds nor debentures of the company are issued and outstanding and, the company does not propose to issue any.
8. Four hundred thousand shares (400,000 shares) of the capital stock of the company are held in escrow by Eastern and chartered Trust Company, 132, St. James St. West, Montreal, Que. subject to release only upon the written consent of the Quebec Securities Commission, The Canadian Stock Exchange and the Toronto Stock Exchange; any transfer, sale, hypothecation, assignment or other alienation of any or all said escrowed shares is subject to the consent of the Quebec Securities Commission and the Board of Directors of the company NOVAMINES CORPORATION (No Personal Liability).
9. The following is a list of shares sold for cash to date.

<u>Number of Shares</u>	<u>Price per Share</u>	<u>Total Cash Received</u>	<u>Commission</u>
1,295,259	0.59	764,841.00	nil
200,000	0.10	20,000.00	nil
50,000	0.14	7,000.00	nil
225,000	0.15	34,375.00	nil
152,000	0.17-1/2	27,725.00	nil
143,500	0.20	28,700.00	3,650.00
200,000	0.25	50,000.00	nil
1,068,500	0.30	323,600.00	nil
130,000	0.35	45,500.00	nil
67,000	0.40	26,350.00	nil
3,531,259		1,328,091.00	

These 3,531,259 shares represent 882,815 new shares.

From October 1947 to December 1947, the company sold \$ 75,000.00 of first mortgage, 5% Notes. The full amount in cash was received by the company and no commission was paid.

All of said notes were fully repaid by July 31st, 1950; from October 1947 to December 31st, 1947, the company sold \$ 50,000.00 of second mortgage, 5% Notes.

The full amount in cash was received by the company and no commission was paid.

All of said notes were fully repaid by January 1950.

11. No shares have been issued or are to be issued nor as any cash been paid or is to be paid to any promoter of the company for promotional services.

12. A-1

The company holds within the east limits of the Village of Cadillac, electoral district of Abitibi, Quebec, under mining concessions nos 310 and 297, Blocks 47 to 54 inclusive, and parts of Block 61, respectively, a total of 516.64 acres and also under mining Development Licences Nos:

116C	Claims Nos: A 68424 South	For a Total of 4,82 acres
	A 68856	
117C	A 30435	
	A 30436	
	A 30437	
	A 68424 North	Total of 127.82 acres
844C	A 16015	
	A 16016	
	A 16017	Total of 120.48 acres
845C	A 16257	
	A 16258	
	A 16259	
845C	A 16260	
	A 16261	Total of 202.58 acres
846C	A 16262	
	A 16263	
	A 16264	
	A 16265	
	A 16266	Total of 185.53 acres
TOTAL		641.23 acres.

12. A-2

The Company holds in the Indian House Region, Projected township, No. 4853 in the New Quebec Territory, Province of Quebec, Under Miners' Certificates No. 195391 - Claims 1 to 5, 195393 - Claims 1 to 5, a total of 600 acres, including Nos. 195392 - Claims 1 to 5.

12. A-3

The Company owns in the (Copper) Polson Lake Area of Antigonish, Nova Scotia, under Miner's Licences Certificates Nos. 1246, Series "A", in tract No. 36, Claims Nos. C.D.E.F.L.M. Reference Map No. 11-F-5-C or a total of 240 acres. Also No. 9379 in Tract 13, Claims P.Q., also in Tract 14, Claim N. Also in Tract 35, Claims D.E.N, also in Tract 36, Claims A.B.G.H.J.K. or a grand total of 480 acres or a combined total of 720 acres in the main Block "A"

12. A-4

The Company owns in the Lochaber and South River Lake Area of Antigonish County of Nova Scotia, under Miner's Certificates No. 1217 - Series "A" in Tract 25, Claims A.B.G.H.J.K.L.M.N.O.P.Q. Reference Map No. 11-E-8-D; Also No. 1219 - Series "A" in Tract 48, Claims A.B.C.D.E.F.G.H. Reference Map No. 11-E-8-D; Also No. 1218 Series "A" in Tract 47, Claims A.B.C.D.E.F.G.H.J.K. L.M.N.O.P.Q. Reference Map 11-E-8-D; Also No. 1222 Series "A" in Tract 15, Claims A.B.C.D.E.F.G.H.J.K. L.M.N.O.P.Q. Reference Map 11-F-5-C; Also No. 1221 Series "A" in Tract 14, Claims E.F.G.H.J.K.L.M.O.P.Q. Reference Map 11-F-5-C, or a grand total of 2520 acres.

12. A-5

By an agreement dated as of March 18th, 1963 the company has obtained an option from NOVAMINES SYNDICATE REG'D to acquire properties in the Township of Farr in the Elk Lake Area of Montreal River division of Ontario under Miners' Certificates Nos. B 22878 Claims Nos. M. R. 34863 - M. R. 34864 - M. R. 34865 M. R. 34866, or a grand total of 160 acres, for a period of six months from the date of the qualification with the proper authorities. If and when exercised the costs to the company will be 50,000 new escrowed shares of the company at a discount of 75%. As a further consideration the Optionee will be granted 7-1/2% of the mineral or concentrate or 12% of the crude mineral ore from the commercial selling price realized from any mining production on said mineral claims and mining rights.

12. B

The Company purchased its properties in Polson (Copper) Lake Area of Antigonish County, Nova Scotia, more fully described above, from Novamines Syndicate Reg'd from 4920 Western Ave. Westmount, Que., for the price 200,000 escrowed new shares of the company for each property Block or a total of 400,000 escrowed new shares of the company.

The other properties were acquired as follows:

- 1- The property from the Indian House Region, Projected township No. 4853, New Quebec Territory, Province of Québec, was acquired in June 1962 from Mr. P. Larivière from Shefferville, New Quebec, for the sum of \$ 12,500.00 cash.
- 2- The original properties of the company located in the Cadillac township of the electoral district of Abitibi, Quebec, were acquired on the seventeenth of July 1936 from Cadillac Exploration Limited (No Personal Liability). These properties were thereafter sold to Central Cadillac Mines Limited (No Personal Liability) on the sixteenth of March 1939.

12. C

The following are the names and addresses of every person who has received or is to receive a greater than 5% interest in the shares and other consideration received by the vendor.

Mr. Joseph O. Martin,	3952 Maplewood Ave, Montreal, Que.	60% Interest
Mr. Clair Simard,	Blvd Ste Anne, Sorel, Que.	40% Interest.

13. (A-1, A-2, A-3, A-4, A-5)

The particulars relating to all the Company's properties, including the means and access thereto, exploration and development work carried out, equipment if any, history of the properties and description of work done and improvements made by the present management are all contained in the reports attached thereto to form part hereof as if recited at length herein. (See report from Dr J. H. Morgan P. Eng., Consulting Geologist, Paul E. Riverin, P. Eng., Consulting Geologist and P. G. Lacombe P. Eng., Mining Engineer, A. William MacPherson B.Sc. Geologist.

14. The company has entered into an agreement dated the 10th of December 1963, with Bouchard and Company Ltd, stock brokers, 1015 Beaverhall Hill, Montreal, Que. by which as an Optionee acting on behalf of clients Messrs Jean Grondin, 237 Labonté, Longueuil, Gerard Legros, 39 Jogues Avenue, Sorel, Joseph O. Martin, 3952 Maplewood, Montréal, covering a firm commitment of 200,000 new shares at 0.25¢ a new share, representing the amount of \$50,000.00, such purchase price to be payable 50% forthwith, 50% within 30 days, upon the acceptance by the proper authorities, that in consideration of such firm agreement and underwriting, Bouchard and Company Ltd, is granted an option of 800,000 new shares of the company at the following prices and terms:

<u>Number of shares all or any part of</u>	<u>Price per share</u>	<u>Period from effective date within which exercisable</u>
200,000 new shares	.25 cents	2 months or before
200,000 new shares	.30 cents	5 months or before
200,000 new shares	.35 cents	8 months or before
200,000 new shares	.40 cents	11 months or before

The Underwriter shall be at liberty at any time, and from time to time to purchase and take up new shares of the capital stock of the company in advance of the dates above set forth, provided that if the Underwriter shall purchase new shares in advance of the time above stipulated, any shares so purchased shall be applied against the shares to be taken up by the due dates or due date next ensuing.

Provided always that as long as this agreement remains in force and notwithstanding the terms of the options herein before set forth, the Underwriter and optionee agree that:

a) If the new shares of the company sell on any stock exchange exchange or stock exchanges at a price in excess of the limit price hereinafter set forth in respect of the option remaining outstanding bearing the lowest price, he will from time to time, forthwith exercise such option and purchase optioned new shares thereunder to the extent of 50% of all shares of the company sold on all stock exchanges in excess of said limit price;

b) If the shares of the company sell on any stock exchange or stock exchanges in excess of the said limit price in respect of more than one outstanding option, he will forthwith exercise in full all such options and purchase all optioned shares thereunder and upto but not including the new shares optioned at the highest option price to which the limit has become applicable. The limit price shall be as follows: 200% of the option price when such option price is .50¢ a share or under.

Regular commissions as per Rules of Canadian and Toronto Stock Exchanges shall apply in this instance.

In the event of the failure of the Underwriter to take up stock in accordance with the provisions of the next preceeding paragraph, the option granted by this agreement shall ipso facto cease and terminate. The Underwriter agrees that it will not hereafter enter into any Agreement or Agreements in the nature of a sub-option Agreement subunderwriting Agreement or assignment with respect to any of the shares herein underwritten or optioned by it without prior notice thereof being given to, and accepted for filing by Canadian and Toronto Stock Exchanges, and upon acceptance of an amended prospectus, by the proper authorities. The company acknowledges that it is aware that the Underwriter is acting on behalf of its clients aforementioned.

Upon payment being made to the company in the purchase of new shares aforementioned, the Underwriter shall be entitled to receive certificates for fully paid and non-assessable new shares of the capital stock of the company in the amount of such payment. Such certificates shall be in such name and denominations as the Underwriter may direct and no fee shall be charged to the Underwriter upon the issuance of such certificates, provided however, that if the Underwriter shall require the issuance of certificates in any name or names which would indicate a taxable transfer of the shares covered thereby, the Underwriter shall be required to pay all stock transfer taxes resulting therefrom.

It is hereby acknowledged and declared that save, in respect of this Agreement to purchase contained in paragraph 1 hereof, this Agreement constitutes an option only, and the purchase by the Underwriter of any shares under the foregoing shall not commit or obligate the Underwriter to the purchase of any further or other shares hereunder.

15. The company intends to expend the proceeds from the sale of its securities to develop its properties and explore them in accordance with the recommendations made in the engineering reports attached hereto, and to pay for its ordinary administrative expenses.
16. The company has been incorporated for more than one year prior to the date of this statement.
17. No indebtedness other than ordinary expenses of the company is to be created or assumed which is not shown in the Balance Sheet of the company, dated July 15th 1963, prepared by its auditors, which Financial Statement forms part of this prospectus.
18. The officers and directors of the company have been engaged in the following businesses during the past three years:
Mr. Joseph O. Martin, Vice-President of Roxford Mining Corporation, (N. P. L.), 4920 Western Avenue, Montreal, Que., Secretary and Director of Fortunata Mines Limited, (N. P. L.), 4920 Western Avenue, Montreal, Que., President-Owner of Dominion Research Service Reg'd, 4920 Western Avenue, Montreal, Que., Mining Prospectors Mart-Managing Director, Industrial and Household Utilities Reg'd, Managing Director, 3952 Maplewood Avenue, Montreal, Que., Co-Director of Novamines Syndicate Reg'd, Sorel, Que.
Jean Grondin, Architect, member of the study of Colangelo, Grondin, Ronco and Belanger, Architects, from 8259 St. Lawrence Boulevard, Montreal, Que.

Mr. Gerard Legros, Secretary-Treasurer and Manager of "Breuvages Courville Incorporée" from Sorel, Que., Director of Club de Golf Sorel, Tracy, (Les Dunes) Incorporée from Sorel, Que., Ex-Director and Secretary of Franksin Mines Limited, (N.P.L.) 159 Craig St. West, Montreal, Que., Vice-President of North-Rand Exploration Limited (N.P.L.) Holding Company, Montreal, Que.

Mr. Paul Pappas, Director of Stratford Acceptance Corporation, 5666, Côte des Neiges, Montreal, Que., Managing Director of Metro-Parking, 5666 Côte des Neiges.

Director of International Amusement Co., 5666 Côte des Neiges, Montreal Que., Secretary and Director of Astor Coffee Shoppe Inc., 5666 Côte des Neiges, Montreal, Que., Director and Co-Partner of Melody Restaurant Inc. 9100 St. Lawrence Blvd., Montreal, Que.,

Mr. Luc Cloutier, Chartered Accountant, Member of the Study of Luc Cloutier and Co., 822 East Mount Royal St., Montreal, Que., President of Placements C-P Inc., 818 Mount Royal East, Montreal, Que. Director of Placements Mentoc Inc., 5220 Mentana St. Montreal Que., Director of Club d'Epargne Duvernay Inc., 822 Mount Royal St. East, Montreal, and Treasurer of "L'Association du Progrès du Plateau Mont Royal Inc." 1697 Laurier Avenue, Montreal, Que.

18. A.

No officer or director but Mr. Joseph O. Martin from 3952 Maplewood Montreal Que., has ever had any interests in any property acquired or to be acquired by the company.

18. B.

No remuneration has been paid to officers and directors of the company during the last financial year of the company and none is contemplated for their services as such. Nota Bene: During the last financial year, the previous administrators were paying the Secretary-Treasurer acting as administrator, a sum of two hundred dollars per month.

19. No dividends have been paid by the company to date.

20. There are no persons presently who, by reason of beneficiary ownership of securities of the company or by any agreement in writing, that are in a position to elect or cause to be elected a majority of the directors of the company. However, Mr. J. O. Martin, 3952 Maplewood Avenue, Montreal, Que. and Mr. Clair Simard, Blvd Ste Anne, Sorel, Que., and the estate of Ernest Beaupré represented by Mr. J. Luc Cloutier, C.A., 822 Mount Royal East, Montreal, Que., providing they are able to obtain sufficient proxies from other shareholders, may be in a position to effect control of the company.

21. Mr. Clair Simard and Mr. J.O. Martin have sold to the company a mineral stockpile for a sum of \$33,336.00, payable by five equal consecutive monthly payments of \$6,667.20, starting thirty days after the effective date. The above named vendors further agree to prove their good faith in the fulfilment of their agreement by maintaining in good standing such agreement with NOVAMINES CORPORATION (NPL) and they hereby, and further agree not to receive any cash payment from the sale of the Polson (Copper) Lake stockpile up to and until mining exploration work, diamond drilling and other technical operations have permitted duly qualified geologists and mining engineers to probe such mining exploration work to cause this mineral ore deposit to be of commercial and tangible worth. The engineers' reports giving the results of the exploration work done on the property will be the subject of an amendment to the prospectus prior to any payment being made to the vendors.

The foregoing constitutes, under the Quebec Securities Act, full, true and plain disclosure of all material facts in respect with the offering of securities referred to above, and there is no further material information applicable other than in the financial statements or reports required or exigible.

J.O. MARTIN

GERARD LEGROS

JEAN GRONDIN

PAUL PAPPAS

J. LUC CLOUTIER

To the best of my knowledge, information and belief, the foregoing constitutes, under the Quebec Securities Act, full, true and plain disclosure of all material facts in respect of the offering of securities referred to above, and there is no further material information applicable other than in the financial statements or reports required or exigible. In respect of matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the foregoing.

The only person or persons having a greater than 5% interest in Bouchard and Company Ltd, are J.C. Bouchard, 2075 Cushing St., St. Laurent, Nick Tsadilas, 4095 Côte des Neiges Rd., Apt. 1, Montreal, Que.; Marcel Ballard, 825 Oak St., St. Lambert, Que., and Jacques Bellavance, 1240 Villera y St., Montreal, Que.

BOUCHARD and COMPANY LTD.

J.C. BOUCHARD, Pres.
MARCEL BALLARD, Sec.

Dated at Westmount, Que.
this 16th day of December 1963

Summary Report on
The Properties of Novamines Corporation
Westmount, Que.

Novamines Corporation (NPL) holds four mining properties as follows: 1) A copper occurrence at Polson Lake, Nova Scotia; 2) Blocks A and B, surrounding the above copper property, extending from South River Lake to Lochaber Lake, Nova Scotia; 3) Thirteen claims and eight mining concessions in the northwest quarter of Cadillac Township, Que. 4) A Silver-Cobalt prospect in Farr Township, Montreal River Division, Ontario.

Conclusions as to the value of these properties, recommendations for their development and costs for such development program will be found hereafter.

1) Main Property at Polson Lake:

A 680 feet long, high-grade copper showing is exposed on the north end of the lake. Prospecting has traced numerous sulphides zones over a large surrounding area.

A magnetometer survey has indicated 13 anomalous areas with magnetic intensity varying from 8600 gammas to 9,200 gammas; the major anomalies are respectively 1000 feet long by 600 feet wide and 500 feet long by 200 feet wide. The anomalies are spread "en échelon" along a break traced thus far over a length of 6100 feet.

An electric resistivity survey has detected 12 conducting zones confirming the magnetometer survey and indicating the presence of sulphides concentrations. Five of these conductors are 800 to 1000 feet in length while three more are 400 to 500 feet in length. High conductance was detected in almost every conductor.

Diamond drilling has intersected five orezones, the main one reaching 1050 feet in length. The possible tonnage indicated per 100 vertical feet is more than 40,000 tons averaging 1.38% copper.

An estimate of ore presently available on the stockpile or in place close to the surface has yielded the following figures:

Blocked: 5,000 tons at 4.5% Cu.
 3,000 tons at 2.0% Cu.

Probable: 2,500 tons at 2.3% Cu.
 500 tons at 1.0% Cu.

Possible: 2,915 tons at 4.0% Cu.

Hence, the Polson Lake property contains widespread sulphides, in particular chalcopyrite. Numerous anomalies indicate a string of lenticular zones along a major break. Diamond drilling of one minor anomaly under a remarkably high grade surface showing has intersected several good grade copper zones. Ore possibilities are very encouraging and the property should be subjected to an intense development program.

This program should be as follows:

1- Complete magnetometer survey of the whole property with resistivity or self-potential survey as check on all magnetic anomalies.

2- Complete geological mapping, of the whole property.

3- Geochemical survey where overburden is excessively deep. One of the highest geochemical copper content has been detected in Polson Lake on this property.

4- Diamond drilling of the larger and higher anomaly. This should involve at least 10,000 feet of B core drilling.

Cost of the above program is estimated as hereafter:

Geophysical surveys	\$ 12,000
Geological mapping	3,000
Geochemical survey	2,000
Diamond Drilling	45,000
Assays	4,000
Trenching and camps	4,000
Mill tests on ore	2,000
Engineering	<u>10,000</u>

Total: \$ 82,000

2) Blocks A and B, Polson Lake, N.S.:

Blocks A and B surround the Main Polson Lake property described above. They cover 2400 acres approximately and extend over the east and west extensions of the major structural break. The geology is similar and numerous sulphides occurrences on these blocks shows the excellent value of these claims as prospecting ground.

Very high geochemical anomalies have detected strong concentrations of lead in a creek on the east side of Lake Lochaber in Block A or close by. The presence of copper is reported on several points of these blocks which are bordering the favourable Windsor-Horton contact.

The Blocks should be submitted to the following exploration program:

1. Complete geological mapping.
2. Geochemical survey of thick overburden area.
3. Geophysical survey of potentially mineralised areas.
4. Diamond drilling along the main break and under anomalies.

Cost of this program is as follows:

Geological mapping	\$ 6,000
Geochemical survey	3,000
Geophysical survey	10,000
Trenching	5,000
Diamond drilling estimate	45,000
Engineering	<u>5,000</u>

Total: \$ 74,000

3) Cadillac Township Property:

This property covers approximately 815 acres on the Cadillac-Malartic break, in Blake River volcanics. It has produced gold in the recent past, with a milling rate of about 400 tons per day. During its last year of operation (1948), it netted over 100,000 dollars.

From the various reports and studies available, it is believed that additional reserves in the order of 250,000 tons grading 0.15 oz. gold per ton could be developed. This, and the new geological discoveries made in the nearby Kiena-Malartic area justify a renewed exploration program on this former producer, which could add up to additional tonnage below the 1000 foot level.

Hence a program of 5,000 feet of diamond drilling is recommended after a good geological assessment of the property. Should this program confirm the presence of the tonnage expected, an underground development should be undertaken.

Cost of this schedule would be as follow:

Geological survey	\$ 3,500
Diamond drilling	22,500
Underground development	<u>175,000</u>

Total: \$ 201,000

4) Farr Township Property:

This property is located in the well known Cobalt-Gowganda silver area. It adjoins the former producer Tormont and at least three highly mineralised silver veins outcrop on the property. These veins are the northern extension of the Tormont orebody.

The geology is extremely favourable to the deposition of silver and cobalt. Selected samples taken on the veins have yielded assays of .80, 4.80, 459.92, 1.08, 5.80 and 43.10 ounces of silver per ton with cobalt, nickel and copper values and traces of platinum.

The property should be subjected to a thorough and systematic program of development which could lead to the discovery of commercial quantities of high grade silver ore similar to the material produced from the neighbouring Tormont property.

Development program should include complete geological mapping, geophysical survey to locate all significant structure and diamond drilling of the long veins presently exposed or found by the new exploration. A few holes should be added to explore the major break crossing the north end of the clais.

Cost of the program would be as follow:

Geological survey	\$ 3,000
Geophysical survey	2,000
Trenching	1,000
Diamond drilling	<u>22,500</u>

Total: \$ 28,500

TOTAL COST OF ALL PROGRAMS: \$ 385,500.00

CERTIFICATE:

I, undersigned, Pierre G. Lacombe, having my office at 1290 Pine Avenue West, in Montreal, duly Graduated Mining Engineer (McGill 1954) and practicing as a Consulting Mining Engineer since 1954 declare that:

1. I AM a member in good standing of the Corporation of Professional Engineers of Quebec;
2. I HAVE no interest whether directly or indirectly in the above described properties;
3. I HAVE made numerous and prolonged visits to the Polson Lake properties in 1960, 1961 and 1962. The information on the Cadillac property is taken from reports by Messrs. Koulomzine and Geoffroy, Consulting Engineers, while information on the Farr Township property has been supplied by a study of old maps and the Company's staff work.

Montreal, April 5th 1963

Pierre Lacombe, P. Eng.
Consulting Mining Engineer.

August 23, 1963.

Consolidated Central Cadillac
Mines Limited (NPL)
4920 Western Ave, Westmount

RE:- Novamines Corporation

Dear Sir:

In reply to your recent request addressed to Mr. J.O. Martin, President of Consolidated Central Cadillac Mines Limited, subject to change to Novamines Corporation, please find hereafter two paragraphs describing the Properties and Means of Access to the Cadillac Township claim group held by the above mentioned company. These paragraphs should precede my summary report on the said companies dated April 5, 1963.

Properties:

The properties consist of Mineral Concessions No. 297 and 310 totalling approximately 516 acres, and of 16 Development Licences adding another 714 acres to this, for a total acreage of 1230 acres. The Concessions are in the undivided portion of Range VII of Cadillac Township, just west of the center township line while the claims are adjacent to the north, mainly in Range VIII. The whole lies about one mile south of the south end of Lake Preissac.

Means of Access:

The properties are immediately north-east of and adjacent to the Town of Cadillac, Abitibi-East, Que. They are reached extremely easily from the first class, paved, main highway going from Valder to Rouyn-Noranda. The claims are about half way between these two points and the highway bisects the No. 297 Concession. Gravel roads reach various parts of the claims from the highway.

Yours truly,

Pierre G. Lacombe, P.Eng.
P.G. Lacombe & Associés
Consulting Mining Engineers

PGL/id

ENGINEER'S REPORT

ON MINING PROPERTIES OF "NOVAMINES CORPORATION" (N. P. L.)

LARIVIERE GROUP OF CLAIMS

ROMANET LAKE AREA

Township 4853, New Quebec, Quebec.

Property and Location:

Fifteen claims in township 4853 in the Romanet Lake Area of New Quebec are registered in the name of P. Larivière. These claims are identified by Miner's Certificates numbered C 195391, claims 1 - 5; C 195392, claims 1 - 5, and C 195393, claims 1 - 5. The area of the group is about 600 acres.

Lake Romanet is 120 miles north-northwest of Shefferville (Knob Lake), Quebec. This property lies two miles east of the northeast shore of Lake Romanet. Access is by float or ski equipped aircraft, landing on Romanet Lake.

History:

These claims were staked early in 1962 during a staking rush that developed after discovery of copper showings north of Romanet River, about ten miles northwest of the Larivière group. As far as known, no prospecting or development work has been done on the property.

Geology:

This property is located within the Labrador Trough, a series of volcanics, sediments and basic intrusives overlying older granites and gneisses. The Trough rocks have been subjected to folding and faulting and generally exhibit a low grade of metamorphism.

The property is in an area of sedimentary rocks, probably part of the oldest series in the Trough, consisting of dolomite, arenaceous dolomite, argillite, slate, quartzite, greywacke, arkose, conglomerate, graphitic slate and tuff. These rocks are fairly well metamorphosed, with development of sericite, talc and chlorite schists. The Larivière property has not been mapped; hence, the rocks types underlying the property area have not been identified.

The Romanet Lake fault, a prominent northwest striking fault, is located one to two miles east of the property.

A number of copper showings have been found in the Romanet Lake Area. None of these has, to date, been proven to be economic, but only one season's work has been performed and the area is large. These Trough rocks deserve more prospecting for copper, in view of the widespread occurrence of copper mineralization.

Recommendations:

It is recommended that this property be prospected and mapped geologically in the summer of 1963. The cost of this work is estimated to be \$ 2,500.00.

Respectfully submitted,

Montreal 1, P.Q.,
September 17, 1962.

J.H. Morgan, Ph. D.,
Consulting Geologist.

CERTIFICATE

I, John Harold Morgan, of the City of Montreal, in the Province of Quebec, hereby certify:

1. THAT I am a Geologist and reside at 4691 Bessborough Avenue, Montreal 28, Quebec.
2. THAT I am a graduate of the University of Manitoba (B. Sc.) and the University of Wisconsin (M. S. and Ph. D.) and have been practising my profession as a Geologist of twenty-one years.
3. THAT I have no interest, nor do I expect to receive any interest, either direct or indirect, in the Lariviere Group of Claims.
4. THAT the accompanying report is based on personal observations and general knowledge of the area, and,
5. THAT I visited the Romanet Lake area on two occasions in 1961 and three times in 1962, but I have not examined the Lariviere Group of Claims.

Montreal 1, P.Q.,
September 17th, 1962.

J.H. Morgan, Ph. D.,
Consulting Geologist.

REPORT ON CADILLAC PROPERTIES

BY

PAUL E. RIVERIN
Consulting Mining Engineer

Ecole Polytechnique,
1430 St. Denis Street,
Montreal, P.Q.

May 16th 1949.

Gentlemen:

Pursuant to the request of Mr. F.E. Hall, your Mine Manager, I undertook the examination of your Property, spending three days from May 2nd to May 5th on the ground and I herewith submit my report.

OBJECT OF THE EXAMINATION -

The purpose of this examination was to study the present state of the operation and decide whether or not this operation could be continued on a profitable basis.

During my short stay at the Mine I visited the surface lay-out and the underground workings. I also studied previous reports and all the records pertaining to the operation.

SUMMARY OF THE CONCLUSION -

After the completion of the examination, the study of previous reports, the compiling of my notes I came to the conclusion that failing a major discovery or additional funds the operation should be continued on a salvage basis as long as there is an operating profit, then discontinued pending more favourable conditions.

GEOLOGY -

This part was well covered in previous reports and the writer feels nothing could be added to the subject.

ORE POSITION -

Referring to previous work in which the mine was divided in four ore blocks "A", "B", "C", "D" and examining these zones to-day we have the following results.

Block "A": This zone is mined out.

Block "B": Half of this block is mined out; the other half was found so badly faulted that it had to be abandoned.

Block "C": It is very doubtful that this zone could be exploited economically from No. 4 shaft.

Block "D": To the end of April approximately 121,000 tons were mined from that block.

In résumé, the only ore left is part of block "D" giving approximately 250,000 tons of possible ore remaining out the 375,000 tons estimated previously, providing the ore is consistent at depth; this is not proved and much development work and exploratory drilling will be needed to ascertain this tonnage. It is extremely difficult to calculate ore reserves in this mine, but obviously the new ore must come from deeper development.

At the time of my visit eleven working places were under attack, one of them in a vertical sulphide stope where a pillar was being recovered.

The bulk of the ore was coming from
62C9, 63C2W, 66C6, 71C12 stopes.

GRADE OF THE INDICATED ORE -

The grade of the flat lying quartz-tourmaline vein system is erratic, lean sections are encountered in nearly every stope, and, with the limited amount of working places it is difficult to keep the grade at the present standard, the vertical sulphide stopes, used previously as "Sweeteners", are now mined out and there is little indication of their recurrence at depth.

The underground examination reveals clearly the high dilution of the quartz-tourmaline stopes, this dilution, however, cannot be avoided for the following reasons:

- a) - The flat lying veins are not always regular and frequently appear in a very irregular wavy structure;
- b) - Small high grade quartz-tourmaline stringers occur as off-shoots vertically to the main veins; their dip is vertical;
- c) - A minimum of $5\frac{1}{2}$ feet is needed for mining operations.

There is no reason to believe the grade will improve and the average grade this year to date \$4.26 is the grade to be expected.

PLANT -

Surface:- The layout is well planned and each unit seems to have sufficient capacity; the cookery is well kept and at a good cost.

Mill:- The mill is in good condition with a capacity of over 400 tons per day, the crushing and grinding equipment is rated at even greater capacity. The milling cost can compare favourably with any other enterprise of the same type.

Underground:- The mine as a whole is in good condition and well mecanized, the equipment could not only keep the rated tonnage of 400 tons per day but permit all the development work necessary for the operation.

The rock is standing remarkably well and very little support is used throughout the mine.

There are two methods of stoping used:

- a) - Shrinkage for vertical sulphide veins, breasted from the raises, the ore is pulled through regularly spaced draw points; there is only one place in the mine where this type of stoping is used at the present time namely for the recovery of a pillar.
- b) - Slashing in flat lying quartz-tourmaline vein stopes. Most of the present ore is in that group. The ore is slashed on each side of the raise the full length and the full width of the vein; the broken ore is scraped into the raise up to the economical limit of the slushers, 150 feet; this limit intervenes in the spacing of the raise.

In both methods the ore is mucked with mechanical loaders and trammed to the station by electric locomotives.

These stopes are well laid-out and efficiently mined. The underground performance for that type of stoping is fair with 19.9 tons per m.d.s. The advance in drifting and crosscutting is good with 7.5 feet per m.d.s., the raising advance with 4.2 feet per m.d.s. is low.

LABOR -

On my examination tour I talked to many miners and found a good group of well satisfied experienced men. Their basic salary is standard to the district; a few are over-bonused for their type of work, but, as explained by the Management the bonus plan was established to attract good men during a period where the shortage of labor was acute. At the present stage of operation it would be unwise to cut the rate; it would create discontent and a number of men would have to be replaced. I do not recommend any change of policy unless it is decided to continue the operations permanently.

DEVELOPMENT -

The orebodies are generally small and considerable development work is necessary to locate them. The Mine is actually exploited at the rate of $1\frac{1}{2}$ levels a year. To be in a favorable position, exploration and development should be two years in advance of stoping operations. The margin between actual stoping and development is much too small for comfort. The development work is far behind the normal advance over the actual stoping operations.

With a balanced development program an economy can be realized in raising, a better differentiation in stoping can be accomplished permitting a better over-all grade.

OPERATING COST -

The operating cost not including depreciation and pre-production expenses this year to date is \$4.68 per ton milled, a low cost for this type of operation.

For January and February the operating cost was \$5.25 per ton milled with a development cost of \$1.06.

For March and April the operating cost was \$4.17 per ton milled with a development cost of \$0.22. Obviously, this low cost was obtained by curtailing development work.

Considering the Cost-Aid under the Emergency Gold Mining Assistance Act, as calculated

January	\$ 4,588.99
February	4,316.37
March	10,317.42
April	<u>13,918.10</u>
Total	<u>\$33,140.88</u>

This amount gives approximately \$0.77 per ton milled permitting an operating profit to the detriment of much needed development work.

RECOVERY -

The average recovery this year to date is \$4.11 per ton milled; the average for the months of March and April was \$4.59, a good improvement.

No change in the recovery is foreseen unless the grade of the quartz-tourmaline flat lying veins increases or higher grade vertical sulphide veins discovered.

There is no reason to believe in an improvement of the grade for the quartz-tourmaline veins nor a recurrence at depth of the vertical sulphide veins.

The recovery to be expected from the unmined sections is the average recovery obtained so far this year.

CONCLUSIONS -

The mine is in a difficult position; development work is far behind, and obviously the actual operation cannot keep up to present tonnage very long unless an aggressive development program is put into force without delay.

The mining cost, which is over 50% of the total cost, was thoroughly investigated; the different operations were found to be well mecanized and well supervised; very little can be done to lower this cost.

The mine staff, well trained for this type of mining, although hampered by several difficulties, has done a good job.

RECOMMENDATIONS -

1 - Unless additional funds are provided or new major discoveries made, the mine should be transformed into a salvage operation; the development cut to a minimum and exploration restricted; the operation should be continued as long as it is possible, then stopped, waiting for more favorable conditions.

2 - If additional funds are available and the operation is to be continued the following development procedure is recommended.

- a) - Drive the 1000 foot level drift and shaft crosscut, then raise the shaft.
- b) - Drive the 1000 foot level the full length of the ore zone, and drive short crosscuts at regular interval for exploratory drilling.
- c) - Drive the 875 foot level for mining purposes only.
- d) - Sink the shaft 500 feet, opening levels at every 125 feet.
- e) - Drive the proposed 1250 foot level the full length of the ore zone and crosscuts for exploratory drilling.
- f) - Drive the proposed 1125 foot level for mining purposes only.
- g) - Drive raises to reach the different zones indicated by diamond drilling.

This work would place the mine in a very favorable position, and to attain this objective I estimate that an expenditure of \$20,000.00 per month for 15 months will be necessary. This expenditure includes the cost of a new hoist needed if the shaft is to be deepened.

Respectfully submitted,

PAUL E. RIVERIN,
Consulting Engineer.

CERTIFICATE

I, Paul E. Riverin, of the city of Montreal, in the Province of Quebec, do hereby certify as follows:

- 1.- I am a Professional Engineer carrying on my practice from Montreal, Quebec.
- 2.- I attended the Ecole Polytechnique, University of Montreal, for five years, where I graduated as a Civil Engineer; and Queen's University for two years where I graduated as a Mining Engineer; am a member of the Society of Professional Engineers of Quebec and a member of the Canadian Institute of Mining and Metallurgical Engineers. I have practiced my profession as an Operating and Consulting Engineer for over 11 years; I am Associate Professor in Mining at the Ecole Polytechnique.
- 3.- I have no interest either directly or indirectly nor do I expect to receive any interest either directly or indirectly in the above property.
- 4.- My report on the above property, dated May 16th, 1949, is based on personal observations and informations gathered on the property.

Dated at Montreal, Quebec, this 16th day of May 1949.

PAUL E. RIVERIN
Consulting Engineer

RE: Consolidated Central Cadillac Mines Limited.

Consolidated Central Cadillac Mines Limited
(subject to change to: Novamines Corporation),
Westmount, Que.

Gentlemen:

Pursuant to your request, you will find hereafter a brief and general discussion of the ore potential of the original Cadillac Township property of your Company with respect to the report of Mr. Paul E. Riverin, P.Eng., dated 1949 examined in the light of the most recently known factors affecting the geology and economics of the Cadillac-Malartic gold belt.

Object of the Discussion:

The purpose of the present work is twofold, as follows:

1. To assess the presently known ore reserves of the property;
2. To determine its future potential, in the light of the recent discoveries in the area and of the new knowledge of the regional geology stemming from these discoveries.

1. Present Ore Reserves:

In Mid-April 1949, Mr. P. Riverin, after spending three days on the property, came to a well established conclusion that the ore still available in the mine was part of Block D (See attached maps) and totalled approximately 250,000 tons. This is the latest estimate available.

The mine continued its operations on a salvage basis from the time of this estimate to some date in October of the same year, hence for a period not exceeding six months.

The milling rate per day, at best, was 400 tons. Hence, assuming that the mine operated continuously at full capacity, seven days a week, without break downs for a full period of six months, the maximum amount of ore extracted during such a period would have been 67,200 tons, leaving 182,800 tons of ore in the said Block D. The average grade of this ore was \$4.26 per ton with gold prices slightly lower than to-day's. Thus, the gross value of the ore remaining in this Block could be established at slightly over \$800,000 at the actual gold rate.

This is potential ore; it still requires exploratory drilling and development to be blocked on several sides. However, the probability of its presence in these quantities is good.

Beyond these figures, no recoverable ore is outlined elsewhere, except for certain parts of Blocks C and B. However, these blocks are faulted to a point which renders any economic extraction extremely doubtful.

The most obvious area in which to concentrate exploratory efforts is further at depth, where success has been met with by other old producers such as East Malartic, Lamaque Goldfields, Barnat, etc...

2. Geological Potential:

The Cadillac-Malartic area has been the object of renewed and intense activity since a few years, triggered by the discovery of new, deep seated orebodies made first by Lamaque Goldfields followed by Barnat Mines.

This activity led later on to the resumption of operations at Norlartic and Marban, followed by the discovery of entirely new mines of importance, such as Kiena Gold, Camflo and possibly Consolidated Ultra Shawkey. Finally, East Malartic drilled and developed a new orezone extending down to and below its 31st. level.

In each of these cases, no fundamental changes were noted in the general geology of the deposits. The gold mineralization is still controlled by the Cadillac Break and its offsets and still associated with strong dragfolding and shearing of incompetent beds within the Cadillac fault zone.

The only significant changes have been that gold deposits have been found to extend farther north than the area most explored to 1960, and that a new goldbearing sulphide zone of considerable length and width has been outlined at the western border of Cadillac Township. This new zone being at present actively explored by Dumagami Mines which has completed four drillholes over a length of 300 feet, intersecting widths of 15 to 72 feet averaging .17 to .26 ounce of gold per ton besides silver and copper values. The sulphide zone has been traced over 2.75 miles in length and varies

in width from 100 to 250 feet in width at least, no definite contacts having been found yet.

With respect to the Consolidated Central Cadillac property, the possibilities suggested by these new developments are as follow:

- A. The same formations of Cadillac Group greywacke and Blake River Group volcanics underlie both the Dumagami and Consolidated Central properties. The Dumagami property is about 2 miles west of the Cadillac claims. Hence, a geophysical survey and geological mapping should be completed on the Cadillac property to trace the presence (or confirm the absence) of the sulphide zone cut by Dumagami. If this presence is noted, the extent of the zone should be carefully mapped and a drilling program should be started to explore it immediately. The mineralization found on Dumagami could be similarly present on Cadillac.
- B. East Malartic has outlined by drilling and underground development a new orezone over 1000 feet below the known 24th. level orezone. A length of 700 feet is already outlined with widths of 18 to 99 feet averaging .13 to .25 ounce of gold. A similar condition, which has been found to exist in several other mines of the area, as quoted above, could exist at Consolidated Central where underground exploration has been extremely limited and rather quite shallow.
- C. The north end of the Cadillac property is not well known or closely mapped. In view of the recent successes of exploration in the Kewagama-Pontiac formations, a good exploration should be carried out in that northern part of the property which overlies such formations. Similar conditions prevail in the Camflo, Marban and Kiena area.

Conclusions:

- 1. Approximately 180,000 tons of 4.26 dollars ore are left underground in the remnants of Block D.
- 2. The gold bearing sulphide zone outlined two miles west by Dumagami could be found to continue or be repeated on the Cadillac property.
- 3. New orezones could be found to lie deeper along the formation previously mined, where exploration has been restricted and shallow.
- 4. Exploration in the Kewagama and Pontiac formations in the north could lead to the discovery of new mineralization as in similar area at the east.

- Note:
- 1. The fact that no additional mineralization or economic tonnage would be discovered should not be entirely discounted.
 - 2. The present discussion has been written at the specific request of the Directors of the Company. It is filed for its guidance and as supporting evidence to our report of April 5, 1963.
 - 3. It is subject to the same Certificate as our report of April 5, 1963.
-

Respectfully submitted,

Pierre G. Lacombe, P.Eng.
P.G. Lacombe & Associés
Consulting Mining Engineers

PGL:ld

SUMMARY REPORTS ON THE POLSON PROPERTY

Antigonish County, Nova Scotia.

for

NOVAMINES CORPORATION (NPL)

Formerly

CONSOLIDATED CENTRAL CADILLAC MINES LIMITED

(No Personal Liability)

LOCATION, ACCESS, Etc.

The Polson Lake property is located in Antigonish and Guysborough Counties of Nova Scotia, approximately twenty-two miles south of the Town of Antigonish.

The property is easily accessible by a three mile gravel road, from the Trans-Canada Highway number seven.

TOPOGRAPHY.

The land consists of a series of low rounded hills trending in a North, South direction. Outcrop is relatively scarce, and overburden varies from twenty to fifty feet.

Vegetation consists mainly of sparsely spaced secondary spruce growth. Power and water are readily available on the property.

PROPERTY.

Consolidated Central Cadillac Mines Limited (N.P.L.) holds the following claims.

POLSON LAKE AREA

<u>BLOCK "A"</u>	<u>Tract no:</u>	<u>Claims:</u>
	13	P-Q
	14	N
	35	D-E-N
	36	A-B-C-D-E-F-G-H-J-K-L-M
	These claims comprise a total acreage of 720 acres.	

LOCHABER AND SOUTH RIVER AREA

<u>BLOCK "B"</u>	<u>Tract no:</u>	<u>Claims:</u>
	14	E-F-G-H-J-K-L-M-N-O-P-Q
	15	A-B-C-D-E-F-G-H-J-K-L-M-N-O-P-Q
	25	A-B-G-H-J-K-L-M-N-O-P-Q
	47	A-B-C-D-E-F-G-H-J-K-L-M-N-O-P-Q
	48	A-B-C-D-E-F-G-H
	The total acreage is 2,520 acres, making a combined total of 3,240 acres.	

GEOLOGY:

The detailed and structural geology, on the property, is imperfectly known due to the scarcity of outcrops.

In general, the property lies lengthwise across the Horton-Windsor contact. The Windsor group, to the South, is made up mainly of grey, green and red schists with an East-West trend dipping slightly North. The Horton group to the North comprises Shales, Sandstones and Conglomerate. Schists, slates and Limestones are prominent in the Southern portion of the Windsor.

Three known igneous plugs occur on the property; the largest extending South from Polson Lake is described as being made up of Diorite, Syenite and Felsite, while on the Northern end of the Lake a smaller plug is termed Felsite. Another smaller Felsite plug occurs North-West from the Lake.

The distribution of the rock formations surrounding the Polson Lake area, are shown on the Geological Survey of Canada, Sheet No:35, Nova Scotia.

HISTORY:

Various copper occurrences and boulders of high grade Copper, have been known for some time in the Polson Lake area. The initial search for the source of high grade boulders, is thought to go as far back as 1849.

It is reported that the most serious work carried out in 1907, when a small shaft and drifting exposed approximately five hundred feet of high grade copper, with widths from 6.5 to 11 feet.

According to reports, a legal tussle ensued over titles, and work was stopped. As far as can be ascertained no further efforts were made to exploit or explore further the ore. At present, two stockpiles of ore from these workings are on the property.

MINERALIZATION:

Mineralization in the area, is extremely widespread, and has been noted in the main showing, boulders and fractured wall rock.

Mineralization of the main showing consists of massive type sulphides, the main minerals being pyrite and chalcopyrite, secondary minerals are pyrrhotite, siderite and quartz.

Pyrite and specularite are widespread in the schists.

Mineralized boulders, generally contain Chalcopyrite and minor amounts of Gold, Silver and Nickel.

EXPLORATION:

Recent exploration in 1962 has consisted of 36,600 feet of Magnetometer survey, 36,600 feet of Electro Resistivity survey and, 2,866 feet of diamond drilling.

Results of this work has been to outline twelve magnetic anomalies, and eleven resistivity anomalies within an area 6100 feet in length and 600 feet in width. This could be a major fault or fracture zone, containing en echelon, sulphide zones as expressed by the anomalies.

Diamond drilling consisted of thirteen shallow holes, with an average depth of approximately two hundred feet, and one hole of 360 feet. Difficulty was experienced in all holes due to the highly fractured wall rock. Two holes had been abandoned.

The drilling was confined mainly to one anomaly in the Southeast corner of the property. Seven holes are bunched into only a one hundred foot strike length of the anomaly. The remaining seven holes are spread over a 900 foot strike length, three being drilled from one set up.

Total expenditures on the programme to date has been over \$40,000.00.

EXPLORATION RESULTS AND STATUS OF THE PROPERTY:

- Twelve anomalies of magnetic intensity and, eleven anomalies of resistivity have been located on the property which was surveyed.
- Anomalies one and two in the South East part of the property have been tested only to a limited extent.
- Drilling to date is considered inconclusive and does not lend itself to correlation. Ore values were encountered in three holes as follows:

<u>HOLE NO</u>	<u>FROM</u>	<u>TO</u>	<u>FOOTAGE</u>	<u>% CU</u>
B-13	78'	95'	17'	2.01%
B-1-A	50'8	55'3	4'7	2.21%
C-3	150'	156'	6'	1.19%

Low values were encountered in most other holes.

- The main surface exposure extends for a length of 600 feet having a width from 6.6 to 11.0 feet with copper values from 2 to 4%.
- Underground workings on the main exposure, as mapped and sampled by Mr. McLeod, contains the following ore:

BLOCK "A"

A triangular block, blocked out by the shaft and East level and, containing 4.36% Cu ----- 2,000 tons.

BLOCK "B"

Blocked out by the shaft and East level and, containing 4.36% Cu ----- 3,000 tons.

Blocked:	Total:	5,000 tons
Probable:	" "	2,500 tons
Possible:	" "	2,500 tons
Total:		10,000 tons

- Using the GROSS VALUE of the 10,000 tons with Copper at 0.30 cents a pound would be \$26.16 per ton or a total of \$261,000.00. The largest of the two stockpiles has been estimated by Mr. P. G. Lacombe and Mr. Vince Scott, Mining Engineers, to contain 3,000 tons. The average of nine samples taken on this dump yielded 4.84% Copper. The GROSS VALUE per ton would be \$29.04 per ton or a total of \$87,120.00. Further to this,

a smaller dump is estimated to contain 500 tons averaging 1.0% copper at 0.30 cents per pound, a GROSS VALUE of \$6.00 per ton or a total of \$3,000.00. The grand total of the ore in sight and stockpiles would mean a GROSS VALUE of \$351,720.00.

RECOMMENDATIONS AND CONCLUSIONS:

It is concluded that the ground is geologically favourable and that further work is justified in a more detailed fashion as outlined by the company's engineer. It is recommended that the following exploration work is carried out:

Geological mapping of the entire property: -----	\$ 5,000.00
Extension of the present geophysical survey: -----	10,000.00
Detailed soil Sampling: -----	3,500.00
Diamond Drilling for 10,000 feet at \$4.50 a foot: -----	45,000.00
Assaying: -----	1,500.00
Mill Tests: -----	3,000.00
Trenching, Misc. Labour: -----	5,000.00
Engineering: -----	12,000.00
	\$85,000.00

It is estimated that this program should take from three to four months and cost \$85,000.00

JUNE-1963

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William A. MacPherson, B.Sc.,
Geologist.
532 Milton Street, Montreal, Que.

REFERENCES

- | | |
|----------------|--|
| McLeod J.W. | Notes on the Copper Lake Mine, Antigonish, Nova Scotia.
McGill University, Montreal, Que., C.I.M.M. 1909. |
| Messervey J.P. | Copper in Nova Scotia. Pamphlet no:7., Nova Scotia.
Department of Public Works and Mines. 1929. |
| Lacombe P.P.G. | Progress Reports, Diamond Drilling, Diamond Drill hole logs.
Polson Lake Property. |
| Lacombe P.G. | Report on the property of Novamines Syndicate. Polson Lake.
Antigonish County. Nova Scotia. February. 1963. |

CERTIFICATE

I, William A. MacPherson, Geologist, of the City of Montreal, Province of Quebec, do hereby certify as follows:

- 1- That I am a Geologist presently residing in Montreal, Que.,
- 2- That I am a graduate of St-Francis Xavier University, Nova Scotia, 1955, and have done one year post graduate study at the University of New Brunswick. I have been practising my profession since that time.
- 3- That I have no interest in Consolidated Central Cadillac Mines Limited, (n.p.l) either directly or indirectly, nor do I expect to receive any interest directly or indirectly in the property referred to in the accompanying report or in any securities of Consolidated Central Cadillac Mines Limited (N.P.L.).
- 4- That the foregoing report on the property of Consolidated Central Cadillac Mines Limited (n.p.l.) is a summary of reports and work carried out on the property by the previous owners. That I am familiar with the area discussed.

Dated at Montreal, Que., this 10th day of June 1963.

.
William A. MacPherson, B.Sc.,
Geologist.
532 Milton Street,
Montreal, Que.

NOVAMINES CORPORATION
(No Personal Liability)

STATEMENT OF FINANCIAL POSITION

AS AT JULY 15th, 1963

ASSETS

<u>CASH IN BANK</u>	15.79
<u>INVESTMENT IN WEEDON MINING CORPORATION (at cost)</u>	
1,000 common shares (Market Value - \$ 40.00)	46.45
<u>MINERAL STOCKPILE - At Cost (Note "C")</u>	33,336.00
<u>MINING CLAIMS (Note "D")</u>	112,501.00
<u>DEFERRED DEVELOPMENT AND ADMINISTRATIVE EXPENSES (per statement attached)</u>	2,892.00
<u>REORGANIZATION EXPENSES (Estimated)</u>	4,670.00

APPROVED ON BEHALF OF THE BOARD:

<u>J.O. Martin</u>	Director.
<u>Paul Pappas</u>	Director.

The attached notes form an integral part of
these financial statements.

\$ 153,461.24
=====

LIABILITIES

<u>ACCOUNTS PAYABLE</u>	38,611.05
ADVANCE FROM A DIRECTOR (Note "F")	7,574.74

SHAREHOLDERS EQUITY

CAPITAL STOCK

<u>Authorized</u>	
5,000,000 common shares at \$ 1.00 par value	\$ 5,000,000.00

<u>Issued and Fully Paid</u>	
For cash -	1,065,100.00
1,065,100 common shares at \$ 1.00	
For Mining Claims-	
400,000 common shares at \$ 1.00	
400,000.00	
- Discount on shares	<u>300,000.00</u>
	100,000.00
	1,165,100.00

<u>CONTRIBUTED SURPLUS</u> (Arising out of the reduction of share capital)	648,589.10
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DEFICIT

Balance as at July 15th 1963 per statement attached	(1,706,413.65)	<u>107,275.45</u>
		\$ 153,461.24

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the above Statement of Financial Position of NOVAMINES CORPORATION (No Personal Liability) as at July 15th, 1963 and the related Statements of Deficit, Deferred Development and Administrative Expenses for the period ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and explanations given to us and as shown by the books of the Company, the above statement of Financial Position and the related Statements of Deficit, Deferred Development and Administrative expenses and of Administrative Expenses, supplemented by the notes appended thereto, present fairly the state of affairs of the Company as at July 15th, 1963 and the results of its operations for the period then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

MONTREAL, Canada,
December 16th 1963.

KENDALL, TRUDEL & CO.
Chartered Accountants.

NOVAMINES CORPORATION

NOTES TO FINANCIAL STATEMENTS

AS AT JULY 15th 1963

NOTE "A"

By Supplementary Letters Patent dated June 28th and July 2nd 1963, the name of the Company was changed from CONSOLIDATED CENTRAL CADILLAC MINES LIMITED to NOVAMINES CORPORATION. The capital stock was reduced on the basis of one share for every four issued, and the authorized capital stock was increased to 5,000,000 common shares at \$ 1.00 par value. Prior to the acquisition of the Supplementary Letters Patent, the Capital Stock of the Company read as follows:

Issued and Fully Paid

For cash -	
3,531,259 common shares at \$ 1.00	3,531,259.00
For mining claims and properties -	
729,141 common shares at \$ 1.00	<u>729,141.00</u>
	4,260,400.00
Less: Discount on shares	<u>2,546,710.10</u>
	<u>\$ 1,713,689.10</u>

NOTE "B"

By an agreement dated December 10th 1963, Bouchard and Co. Ltd., an underwriter, has agreed to purchase firm 200,000 shares from Novamines Corporation for a consideration of \$ 0.25 per share or a total of \$ 50,000.00 payable 50% immediately after the qualification of the Company and 50% within 30 days, subject to the letters patent as set forth in Note "A". In consideration for this purchase, the Company has granted Bouchard and Co. Ltd. the option of purchasing up to an additional 800,000 shares such option exercisable as follows:

<u>Maximum number of shares</u>	<u>Price per share</u>	<u>Period from effective date within which exercisable</u>
200,000	.25	2 months
200,000	.30	5 months
200,000	.35	8 months
200,000	.40	11 months

NOTE "C"

Under an agreement dated June 18th 1963 between the Company and Novamines Syndicate Reg'd, the Company has agreed to purchase the mineral stockpile from the syndicate for a total consideration of \$ 33,336.00 payable in five equal and monthly instalments of \$ 6,667.20 starting after final qualification of the company and after the 3rd 100,000 shares at \$ 0.25 has been paid to the Company by the underwriter.

"N.B." SEE ADDENDUM OF ARTICLE 21 - SECTION "C" OF THE ORIGINAL PROSPECTUS.

NOTE "D"

On March 18th 1963, the Company signed an agreement to purchase from Novamines Syndicate Reg'd. mineral claims situated in Nova Scotia and held under Miner's Certificates for a total value of \$ 100,000.00 consisting of 400,000 common shares issued for \$ 0.25. After the final qualification of the Company, the said shares are to be deposited in escrow with the transfer agents, the Eastern and Chartered Trust Company.

The balance of \$ 12,501.00 represents mining claims held under Miner's Certificates in the Province of Quebec, of which \$ 12,500.00 was purchased for cash in 1962.

NOTE "E"

Under the terms of an agreement dated March 18th 1963, a six month option on additional mining properties situated in Ontario to be purchased from Novamines Syndicate Reg'd., has been signed by the Company for which the Company will issue when and if exercised 50,000 common shares at \$ 0.25 for a total of \$ 12,500.00. As a further consideration, the Company will grant Novamines Syndicate Reg'd. 7-1/2% of the mineral ore concentrates or 12% of the crude mineral ore based on the selling price realized from any production on the mining properties under option.

NOTE "F"

The advance from a Director consists of the deferred development and administrative expenses and the reorganization expenses paid on behalf of the Company by Mr. J.O. Martin. The reimbursement of this advance will be effected by the issue of 37,810 common shares at \$0.20 per share.

NOVAMINES CORPORATION

STATEMENT OF DEFICIT

AS AT JULY 15th 1963

Net Losses on operations	233,348.85
Losses on disposals of fixed assets	158,362.89
Losses on sales of investments	45,267.17
Mining Claims abandoned	237,638.00
Development and pre-production expenses written off	1,028,405.59
Organization expenses written off	<u>3,337.50</u>
<u>BALANCE AS AT DECEMBER 15th 1962</u>	1,706,360.00
<u>ADD: Administration Expenses for the period</u> December 16th 1962 to July 15th 1963 - per statement attached	<u>53.65</u>
<u>BALANCE AS AT JULY 15th 1963</u>	\$ 1,706,413.65

STATEMENT OF DEFERRED DEVELOPMENT AND ADMINISTRATIVE
EXPENSES

FOR THE PERIOD FROM DECEMBER 16th 1962 TO JULY 15th 1963

DEVELOPMENT

Engineers Fees	875.00	
Taxes	1,296.00	
Travelling	<u>295.00</u>	2,466.00

ADMINISTRATION

Office supplies and expenses	390.00	
Transfer taxes	<u>36.00</u>	<u>426.00</u>
		\$ 2,892.00

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE PERIOD FROM DECEMBER 16th 1962 to JULY 15th 1963

<u>TAXES AND LICENSES</u>	53.17
<u>BANK CHARGES</u>	<u>.48</u>
	\$ 53.65

SCHEDULE OF ADMINISTRATIVE EXPENSES

TAXES AND LICENSES

53.17

BANK CHARGES

.48

\$ 53.65

